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TO : Comptroller

DATE: 11/12/80

FROM : Director of Communications

SUBJECT: Funding for the Procurement of New Operational Type
Communications Equipment

1. The absence of funds in FY-1960 specifically programmed for the procurement for stock of a new standard item of communications equipment (AS-3) has highlighted the fact that the Agency's current budget policy does not provide funds for the initial procurement of new operational type communications equipment for DD/P use, where a long procurement lead time is involved. Under the present policy, neither the Office of Logistics nor the Office of Communications is authorized to include in its budget estimates the funds required for this procurement, and within the DD/P the individual area divisions include in their budgets only the funds for communications equipment that they plan to use in the fiscal year concerned. Therefore, the following policy and implementing procedures are suggested:

(A) The Office of Communications will submit to the Technical Requirements Board (TB) by 1 April of each year a list of the operational type communications equipment, with estimated unit costs, which during the next two fiscal years is expected to progress through R & D stages to a point where stock procurement can be initiated.

(B) The TB will assemble the estimated requirements within DD/P for each of the items or types of equipment as mentioned in (A) above and will prepare a recommendation for the DD/P.

(C) The DD/P will forward to the Office of Communications by 1 June of each year a listing as to the types and quantities of equipment for which procurement should be planned in the fiscal year concerned.

(D) The Office of Communications will include in its budget estimates the funds required for the items included on the listing as received from the DD/P. These funds will be specifically identified within the OC budget submission, and it will be left to the discretion of the Comptroller where this requirement will be reflected in the Agency's budget presentation to outside reviewing officials.

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(E) At the start of the new fiscal year the funds so budgeted will be reserved for the subject equipment, with the understanding that all commitments from these funds for operational communications equipment will be made with the concurrence of the DD/P, either directly or through the TB, for the specific item requisitioned.

2. Initiation of the above policy does not change the existing policy requiring each using office to submit budget estimates for operational and administrative equipment needed for their specific operations. (Reference, Call for Office Estimates, FY-1961 Attachment #2, Tab-B, Paragraph 1. i.).

3. It is recommended that the policy and procedures as proposed be made effective prior to the preparation and submission of the FY-1962 budget estimates.

4. The FY-1961 budget estimates of the Office of Communications do not include funds for procurement of communications operational equipment; however, this requirement exists and funds should be provided. Therefore, it is recommended that (a) the OC submit an estimate of the funds required following the coordination process outlined under 1 A, B, and C above for this equipment at the time the FY-1961 operating budgets are being considered, and that (b) priority consideration be given this requirement in the re-programming of the Agency's FY-1961 funds.

CONCURRENCE:

6 JAN 1960

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Deputy Director (Plans) U

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